

RALPH NORMAN
5TH DISTRICT OF SOUTH CAROLINA



CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

274318
COMMITTEE ON SCIENCE,
SPACE, AND TECHNOLOGY
SMALL BUSINESS COMMITTEE

Via Certified Mail

January 28, 2018

Commissioner Swain Whitfield, Chairman
PSC
101 Executive Center Drive SW 100
Columbia, S.C. 29201

RECEIVED

FEB 02 2018

PSC SC
MAIL / DMS

Regarding CWS Rate Increase Request Docket # 2017-292-WS

Dear Commissioner Whitfield,

Please find the enclosed letters;

- a) EPA Regional Office 1V Att: Trey Glenn, administrator
- b) S.C. DHEC Att: Doug Kinard
- c) York County Manager William Shanahan

CWS is requesting a rate increase per Docket # 2017-292-WS. I would ask that this increase be denied for following reasons;

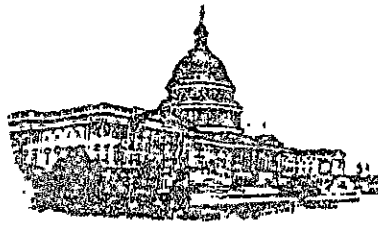
- a) Completion of an Audit by an outside firm of the financial information provided by CWS.
- b) Confirmation of compliance by CWS with the "Safe Water Drinking Act" under section 1413(a) and the most current changes to the "Copper Rule" requirements per the standards as set by EPA (see enclosed letter to the EPA)
- c) Letter from DHEC on fines/fees imposed on CWS along with compliance with other activities that were in violation of the agency standards.

CWS has systematically asked and been granted rate increases by the PSC in 2013 (7% increase) 2015 (7% increase) and now the 2017 request for a 14% increase in rates across the board. The continued lack of service to the many customers along with the poor quality issues of the drinking water continues to be a major concern with the company (see enclosed letter to the Y.C. Manager).

It is my understanding that any new contract with CWS has to be reviewed and approved by the PSC. I would ask that the revised contract now being presented to the Y.C. Council for execution be delayed until the terms/conditions can be fully vetted and examined by outside firms familiar with the utility industry.

The residents of South Carolina are in the process of experiencing the excruciating pain of the shutdown of the VC Summer Nuclear Reactor Plant where customers have been held "hostage" in paying over 1.6 billion dollars for a service they will never receive. Water/sewer, like electricity, is a

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essential service that cannot be provided by ordinary citizens; they are dependent on limited providers and deserve to get a return on their investment. Due to the mismanagement/lack of oversight by the various entities overseeing the project the trust and faith have been severed with the likelihood that the hard earned money will never be recovered by the many customers. Those who are least likely able to shoulder the losses are left with "holding the bag".

The analogy recently cited "if I walked into a bank and withdrew 1.6 billion dollars, and refused to pay it back with interest; what would happen to me?" the answer is clear to everyone.

Like the VC Summer debacle, CWS has lost the trust & confidence of the customers and if any other option for selecting a new provider were offered, the offer would be immediately taken by an overwhelming majority.

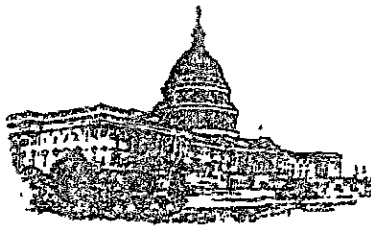
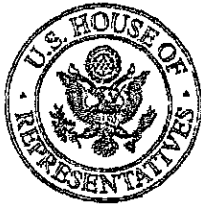
I appreciate the hard work & effort you continue to perform in your role as a commissioner with the PSC and would kindly ask for you to consider the above request.

Sincerely

A handwritten signature in black ink, appearing to read "Ralph Norman", written over a horizontal line.

Ralph Norman, Congressman 5th Congressional District

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January 28, 2018

William Shanahan, County Manager
York County
P.O. Box 66
York, S.C. 29745

Regarding Contract with Carolina Water System

Dear Mr. Shanahan,

Please find the enclosed letters to the following:

- a) EPA Region 1V Regional Administrator in Atlanta GA.
- b) DHEC- Attention Doug Kinard
- c) Office of Regulatory Staff-Attention Jeffery Nelson & Andrew Bateman
- d) Public Service Commission members

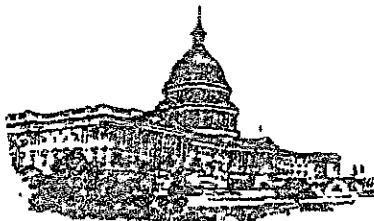
I appreciate you meeting with me and Senator Wes Climer several weeks ago regarding the impending contract with CWS (Carolina Water System). I understand the final contract is up for 3rd reading and the approval to move forward will occur at the next scheduled meeting of the Council.

I urge you and the other council members to carefully consider the consequences of executing a long term agreement with a company that has **routinely ignored** customer complaints and has been granted systematic rate increases from the Public Service Commission that have been totally **unwarranted and undeserved**.

The past record of CWS including **sewer spills in Lake Wylie, past fines from DHEC, excessive lead levels** in the drinking water of the Foxwood subdivision, Cedarwood, and River Hills along with the company's continued refusal to invest needed equity in basic infrastructure needs is the reason we are requesting the PSC **not approve** the contract **nor the rate increases** cited in Docket 2017-292-WS recently filed with the commission. I am also requesting the EPA Regional Office in Atlanta along with S.C. DHEC become involved with insuring compliance by CWS at every level.

South Carolina has just gone through the debacle of the insolvency & abandonment of the VC Summer Nuclear project where customers were assessed over 1.6 billion dollars over a number of years with absolutely nothing to show for the forced investment charges granted by the legislature in the passage of the Base Load Review Act in 2007.

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Like the customers of VS Summer, the approximate eight thousand customers of CWS have a similar history of forced rate increases granted systematically by the PSC with nothing to show for the investment other than poor service and an inferior product that is essential to every household.

I would simply ask that before another long term agreement is executed with CWS by the York County Council that all legal safeguards be **exhausted** and **researched by experts in the utilities industry** in order to force compliance by a company that has a long history of consistently ridding "**roughshod**" over the very people who are held captive with no alternative provider while paying exorbitant water & sewer bills that are totally **unjustified**. I would also request that **adequate provisions** be in place **contractually** that would trigger an automatic replacement of CWS under strict terms & conditions as determined by the Y.C. Council regarding the pricing of the utility as opposed to the existing language in the old contract which allows the company to maneuver and internally provide the cost/return on investment.

The old agreement has been in force & effect for over twenty-seven (27) years dating back to 1991 and the opportunity to correct this "**one sided**" contract will be lost if the opportunity is not seized upon while the opportunity is available.

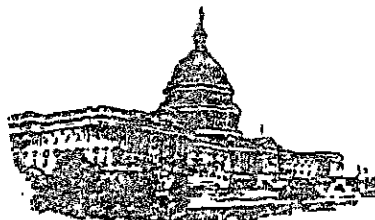
I appreciate the hard work by the York County Council on this issue and trust the matter will be handled in a competent and professional manner for the rate payers.

Sincerely

A handwritten signature in black ink, appearing to read "R. Norman", written over a horizontal line.

Ralph Norman, Congressman 5th Congressional District
Cc York County Council members
CWS; Att: Catherine Heigel, President
Office of Regulatory Staff Att: Florence P. Belser
S.C. Public Service Commission members
Terreni Law Firm LLC, Att: Charles Terreni
Elliot & Elliot, PA, Att: Scott Elliot

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January 29, 2018

SC Department of Health & Environmental Control
Att: Doug Kinard
2600 Bull Street
Columbia, S.C. 29201

Regarding Carolina Water Systems

Dear Mr. Kinard,

Enclosed is the following:

- a) Letter to the EPA Att: Trey Glenn
- b) Letter to William Shanahan, York County Manager
- c) Letter to the PSC
- d) Letter to the ORS

I would like to inquire about the violations and fines levied on CWS in past years. I would also ask you to review the information in the correspondence provided and if possible schedule a meeting in the coming weeks/months to discuss the activities of this company.

The enforcement aspect of the various regulations would be needed along with any new requirements imposed by the EPA or S.C. DHEC.

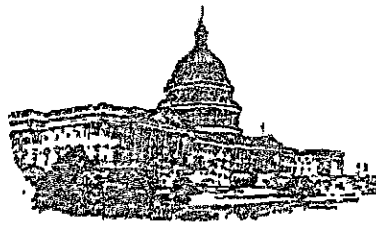
I appreciate your assistance in this matter, and the best address to send the information is P.O. Box 36518, Rock Hill, S.C. 29732

Sincerely

A handwritten signature in black ink, appearing to read "Ralph Norman", with a long horizontal flourish extending to the right.

Ralph Norman, Congressman 5th District

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January 29, 2018

US Environmental Protection Agency, Region 1V
Att: Trey Glenn, Regional Administrator
61 Forsyth Street SW
Atlanta, GA 30303

Regarding Carolina Water Systems- Lake Wylie, S.C

Dear Mr. Glenn,

I would like to inquire about the compliance requirements for Utility providers including the following:

- A) Safe Drinking Water Act 42 U.S.C.300 F
- B) Lead and Copper Rule Requirements and the changes as of 1991

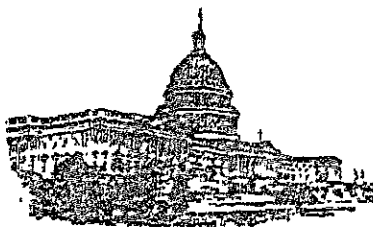
I understand that S.C. DHEC is charged with enforcement however if this is not the case please advise. CWS has an extended history of violations and if there are additional requirement other than the ones listed above please let me know.

Sincerely

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Ralph Norman, Congressman 5th Congressional District
Cc S.C. DHEC Att: Doug Kinard
William Shanahan, York County Manager

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January 29, 2018

Office of Regulatory Staff
Att: Jeffery Nelson
1401 Main Street SW 900
Columbia, S.C. 29201

Regarding CWS Request for Rate Increase # 2017-292-WS

Dear Mr. Nelson,

I have enclosed the following letters;

- a) Letter to the PSC members
- b) Letter to York County Manager William Shanahan
- c) Letter to EPA Region 1V
- d) Letter to DHEC Att: Doug Kinard

I would ask for you to review the request in the correspondence and base your case & response to the PSC members on audited financial information from an outside firm familiar with the utility industry. CWS has neglected for many years investing the funds for basic maintenance which should be required & reviewed on a yearly basis.

Example: there is only ONE source of pipe carrying the water to the Lake Wylie service area that is growing at a rapid pace. Should there be a break in the water line, the entire Lake Wylie Area will be without water for an extended period of time and the system should have had a "looping of the pipe lines" for safety and reliability.

Our staff would like to meet with you in the coming weeks/months to discuss the case and information that the ORS will be presenting to the PSC members.

Sincerely

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Ralph Norman, Congressman 5th Congressional District